

3
Effective Date
Birds Placed On Or After
March 20, 1995

STATE OF ALABAMA

COFFEE COUNTY

This Agreement made and entered into by and between ConAgra Poultry Company, Post Office Box 1276, Enterprise, Alabama, 36331, Party of the First Part and hereinafter referred to as "ConAgra" and _____ whose address is _____, Party of the Second Part, and hereinafter referred to as Grower".

WITNESSETH

WHEREAS, ConAgra is engaged in the business, among others, of placing broiler chicks with independent contractors such as Grower, under contracts containing sundry provisions for the growing of broiler chicks in facilities provided by such Grower until they reach marketable broiler age and size; and

WHEREAS, Grower desires to enter into this Agreement and, pursuant to it, to undertake, as an independent contractor, to raise and care for broiler chicks furnished by ConAgra; and,

WHEREAS, Grower, as an independent contractor, and to induce ConAgra to place day old baby chicks in the care of Grower for the purpose of raising them to broilers, suitable for sale on the commercial market, represents that he/she has or proposes to construct certain facilities suitable for the care and raising of such chicks; and

WHEREAS, the parties wish to enter into this Agreement which fixes

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and declares their respective rights and obligations with respect to the provision of broiler chicks together with feeds and medicines for such broiler chicks, by ConAgra, and the provision by Grower of necessary facilities, equipment, labor, and services for the care and raising of such chicks into marketable broilers:

NOW THEREFORE, for and in consideration of the mutual promises of the parties contained in this Agreement, and the consideration each party is to receive under the terms and conditions of this Agreement, it is mutually agreed by and between the parties to this Agreement as follows:

I. PROVISION FOR FACILITIES AND EQUIPMENT

1) Grower agrees to provide at his/her own cost and without any obligation on the part of ConAgra, _____ chicken house(s), (herein called "growing facilities") on property owned by Grower, at the address indicated above, which Grower warrants, is accessible to a public road right-of-way.

2) The broiler houses used by Grower will be constructed and equipped by Grower, and maintained, without cost to ConAgra, in accordance with the plans and specifications established by ConAgra, which plans and specifications are incorporated herein by reference, and which plans and specifications will be furnished by ConAgra to Grower without charge and without any warranty of any kind. ConAgra reserves the right to upgrade and change the plans and specifications from time to time to improve the growing facilities or better equip them for the growing of broilers.

ConAgra shall not be required to furnish to Grower broiler chicks

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under this Agreement until Grower's growing facilities comply with the requirements set by ConAgra, provided however, ConAgra may waive compliance with such requirements. Any waiver of any one or more requirement by ConAgra does not mean that there will be any future or additional waivers.

Notwithstanding any other term or provision hereof, it is understood and agreed that the growing facilities shall at all times remain the property of and under the control of the Grower, subject to entrance by ConAgra under the terms of this Agreement. ConAgra shall not construct, maintain, contract for, or participate in the construction or maintenance of said growing facilities other than setting requirements and specifications therefore.

3) Grower will provide, in accordance with the requirements set by ConAgra, all equipment required by ConAgra, including but not necessarily limited to feeders, water founts, brooders, fans, disposal facility, and loading grounds. Grower agrees to maintain the said equipment in good and efficient operating conditions, at Grower's expense.

The minimum current requirements for necessary equipment is set forth in Exhibit "A" attached hereto and made a part hereof. The equipment requirements may be changed from time to time by ConAgra, which changes shall be provided to the Grower in writing.

In the event Grower elects to make or perform the requested modifications, additions, or deletions at Grower's expense, such shall be made before delivery of a subsequent flock, in which event this Agreement shall continue without interruption. In the event Grower shall

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elect not to make such modifications, Grower shall, within thirty (30) days after receipt of such written request for modification, notify ConAgra, in writing, of election. If no such notice is given by Grower within thirty (30) days, or if Grower elects, but fails to perform the requested modification within the time limit set for making modifications thereof, it shall be conclusively presumed that Grower has thereby elected to terminate the Agreement.

4) Grower shall be solely responsible for the construction, maintenance, and upkeep of both growing facilities and equipment, to insure that the same are maintained in accordance with the requirements and specifications of ConAgra. ConAgra shall not be liable or responsible for any claims arising out of the construction, maintenance, repair, replacement or abandonment of any such facility or equipment.

Grower may select any builder, contractor, equipment supplier, or repairman and ConAgra shall not in any way be involved with such selection or the work or any person selected other than setting the standards and requirements for the growing facilities and equipment.

5) ConAgra will provide to the Grower broiler growing facility and equipment requirements, in writing, as a service, and not as a representation that the plans and specifications for the housing or equipment contained therein are free from any error, nor does ConAgra give Grower any warranty whatsoever with respect to such plans and specifications. ConAgra shall have no liability, direct or indirect, expressed or implied, to Grower for any error or omission appearing in such plans and specifications for the design, construction, materials, equipment, quality, installation or workmanship of all or of any part of the

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growing facilities or equipment.

II. OBLIGATIONS OF CONAGRA

1) ConAgra will deliver to Grower at Grower's facilities, on or about _____ and from time to time thereafter in accordance with the terms and conditions of this contract, day-old chicks. Density and number of broilers to be placed by ConAgra with Grower shall be at the discretion of ConAgra, and may vary, and shall be determined by ConAgra based on such factors as weather, fans, foggers, waterers, housing capacity, and management of Grower.

2) ConAgra shall provide to Grower and shall deliver to Grower's facilities, at no costs to Grower, all feed, medication and other supplies, in quantities, and quality determined by ConAgra, for the feeding and care of said broilers to grow such for sale on the commercial broiler market.

3) ConAgra shall provide technical advice to Grower on the growing of the broilers. However, Grower shall be solely responsible for the proper care, management, feeding, and welfare of said broilers while the same are in the care of the Grower.

ConAgra shall have the right and privilege to enter upon and inspect Grower's growing facilities, and the broilers placed with Grower, at any time, day or night, without interference, during the grow out term of any broiler chicks placed with Grower pursuant to this Agreement.

4) ConAgra shall have the right to pick up the broilers, or any portion or part of them, placed with Grower, at such times and at such weights as ConAgra may direct.

5) Title to the said broiler chicks shall at all times be and remain

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in ConAgra or ConAgra's assigns and Grower shall have possession of the said broiler chicks as custodian or caretaker only, but shall not permit or cause such to become encumbered in any manner. Grower acknowledges the understanding that he/she holds no title to or interest in the broiler chicks other than as caretaker or custodian. The said broiler chicks shall not be removed from the growing facilities without ConAgra's written consent, except when delivered to the physical custody of ConAgra. No visitors are permitted in the growing facilities of Grower without express permission of ConAgra.

6) ConAgra shall pick up, load, transport to the processing facilities and weigh broilers grown under the terms and conditions of this Contract. ConAgra will provide to Grower, in such form as is convenient and reasonable, the weight of broilers grown by Grower and the compensation due Grower.

7) ConAgra shall pay to Grower for his services of growing the said broilers, compensation as set forth in this Agreement.

III. OBLIGATIONS OF GROWERS

1) Grower shall provide all facilities, equipment, labor, and utilities for the care, feeding, and growing of the broilers placed by ConAgra with Grower under the terms of this Contract. Grower shall be solely responsible for the growing and well-being of broilers placed in his/her care.

2) Grower will accept delivery of feed, medication, and supplies in amounts determined by ConAgra and such feed, medications, and other supplies so furnished by ConAgra shall be used solely in feeding of or

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caring for broilers placed in Grower's facilities by ConAgra. If Grower should use any feed, medication, or supplies furnished or provided by ConAgra for any purpose other than feeding or caring for broilers placed with Grower by ConAgra, or should Grower sell or deliver said feed, medication, or supplies to any third person, not entitled thereto, without knowledge or written notice to ConAgra, such action shall be a default under this Agreement and grounds for terminating this Contract.

3) Grower will daily pick up and remove from each house all dead chicks or broilers, and likewise, record such mortality by the number thereof on a mortality chart provided by ConAgra and posted on the wall of each growing facility. Grower will also notify ConAgra of any outstanding or unusual mortality during the growing out period of said flock due to heat or other causes. Grower will be responsible for the proper disposition of dead chickens in compliance with local and state laws.

4) Grower will provide and maintain reasonable and accessible roadways to the growing facilities and feed bins and loading facilities. Grower will also maintain the interior of his/her growing facilities in such reasonable condition as to make the catching and removal of the broilers efficient and accessible. Such driveways and loading facilities shall be large enough to facilitate the use of any size tractor-trailer or forklift, and shall be level and so constructed so that both feed and broilers may be delivered to and from Grower's facilities without difficulty and loaded and unloaded under any weather conditions.

If due to Grower's failure to construct or maintain adequate facilities, access to Grower's facilities, the interior of his/her houses, or

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removal of his/her equipment prior to catching of broilers, ConAgra should be required to incur any expenses because of such failure or it becomes necessary to remedy the defect on Grower's premises such expense incurred shall be deducted from Grower's next settlement check. If such expenses shall be incurred due to ConAgra's failure to exercise reasonable care or due to a failure of ConAgra's vehicles or equipment, such expenses shall be the responsibility of ConAgra.

5) Grower will furnish usable outside metal feed bins equipped with sturdy ladders that meet OSHA requirements which will be accessible to ConAgra for the delivery and keeping of feed.

6) Grower will clean growing facility to the ground and disinfect said growing facilities twice per year. A minimum of two (2) inches of litter will be used for the period May 1 through September 30 and four (4) inches for the period October 1 through April 30 of each year.

7) Grower will provide sufficient labor for the quick and efficient unloading of baby chicks delivered by ConAgra to Grower's facilities and for the reloading of empty chick containers.

8) Grower shall, at the times and in the manner directed by ConAgra, prior to any specified catch time, make suitable preparations within his/her growing facilities for the catching and removal of broilers therefrom, including but not limited to, removing the broilers from feed and water at the time directed, relocate equipment, and make the broilers available for catching and hauling at a time designated by ConAgra.

9) Grower shall not, under any circumstances, maintain, keep, grow, house, or permit to be present on Grower's premises any poultry, chickens, fowl, turkeys, birds, guineas or ratites of any kind whatsoever,

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other than broilers placed thereon by ConAgra. Provided, however, this provision does not prevent the Grower from engaging in such other farming activities not involving poultry, chickens, fowl, turkeys, birds, guineas, or ratites of any kind, which does not affect the health and safety of the broilers placed on Growers premises by ConAgra.

10) Grower, his agents, servants, or employees, are not employees of ConAgra for any purpose whatsoever, but rather Grower is an independent contractor with ConAgra in the performance of the terms and conditions of this Contract and the means and methods used in obtaining the results sought.

11) Grower accepts full and exclusive liability for the payment of any and all taxes, regardless of kind, now or hereinafter imposed upon Grower, his servants, agents, or employees by the Federal and/or State Governments which are measured by wages, salaries, fringe benefits, employment, working conditions or terms.

12) Grower shall be solely responsible for the performance of the terms and conditions imposed upon Grower by the terms of this Agreement, and shall not assign or lease to nor permit any third person to manage, control, or have the responsibility for the management or control of said houses without the written consent of ConAgra.

13) Grower may witness the weighing and processing of any broilers grown by Grower at reasonable times and upon reasonable notice and is encouraged to do so.

IV. COMPENSATION TO BE PAID

1) Grower will be compensated by ConAgra for growing of said

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broilers as provided in the following schedule:

a) The cost per pound of each and all Growers shall be determined by using the production cost of such broilers. "Production Cost" will be determined by using a standard unit cost for feed of eight (8) cents per pound, chicks at fifteen (15) cents per head placed for all Growers within a ranking period.

b) The production cost of all broilers sold in each week will be totaled and divided by total pounds produced during that week to find the average cost per pound for the week. The Growers with cost under the weekly average will have one (1) point (one (1) point = 1/100 cents per pound) added to the average Grower compensation of three and ninety-five one hundredths (3.95) cents per pound, for every point under the average cost with no maximum limit. The Growers with a cost more than the weekly average cost will have one point (one (1) point = 1/100 cents per pound) deducted from average Grower compensation of three and ninety-five one hundredths (3.95) cents per pound, for each point greater than the weekly average cost. The minimum Grower compensation will be three (3.0) cents per pound.

c) Any Grower experiencing a loss from any cause that affects his/her cost by ten percent (10%) or more of the weekly average standard cost will be deleted from the weekly average cost. This Grower would receive rate actually earned or minimum, whichever is highest.

d) Grower will be paid on total live pounds plus dead on arrival pounds less the weight of the birds condemned because of field causes and less one-half (1/2) the weight of parts condemned.

e) Live weight equivalent of condemned birds is computed as

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follows:

1) Carcass weight as shown on condemned certificate multiplied by one hundred-twenty percent (120%) to convert carcass weight to live weight.

2) Live weight in number one (1) above is divided by number of heads condemned to arrive at average weight of condemned birds.

3) Parts condemned weight as shown on condemnation certificate multiplied by one hundred fifty percent (150%) to convert parts weight to live weight.

4) Live weight in number three (3) above is divided by average bird weight in number two (2) above to equate live parts weight to number of heads.

5) Pounds condemned for "Field Causes" is determined by:

a) Birds condemned for field causes from condemnation certification multiplied by average weight in number two (2) above.

b) Fifty percent (50%) of live weight parts as arrived in number three (3) above.

f) A Grower who sells birds in more than one calendar week will be grouped in the week of his/her final sale.

FUEL BONUS

Growers who maintain the Company recommended house temperature by the use of adequate fuel for growing broilers will be paid a bonus based on the number of broilers sold. The bonus will be paid

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according to the following schedule for chicks being grown by Growers from November 1 (first) through March 15 (fifteenth).

<i>Average Retail Price of Gas</i>	<i>Fuel Bonus Per Day Per</i>
<i><u>Cents Per Gallon</u></i>	<i><u>Cents Per 1,000 Birds</u></i>
<i>.3900 - .4199</i>	<i>.19 1/2</i>
<i>.4200 - .4499</i>	<i>.21</i>
<i>.4500 - .4799</i>	<i>.22 1/2</i>
<i>.4800 - .5099</i>	<i>.24</i>
<i>.5100 - .5399</i>	<i>.25 1/2</i>
<i>.5400 - .5699</i>	<i>.27</i>
<i>.5700 - .5999</i>	<i>.28 1/2</i>
<i>.6000 - .6299</i>	<i>.30</i>
<i>.6300 - .6599</i>	<i>.31 1/2</i>
<i>.6600 - .6899</i>	<i>.33</i>
<i>.6900 - .7199</i>	<i>.34 1/2</i>
<i>.7200 - .7499</i>	<i>.36</i>
<i>.7500 - .7799</i>	<i>.37 1/2</i>
<i>.7800 - .8099</i>	<i>.39</i>
<i>.8100 - .8399</i>	<i>.40 1/2</i>
<i>.8400 - .8699</i>	<i>.42</i>
<i>.8700 - .8999</i>	<i>.43 1/2</i>

The average retail price of gas will be determined by contacting Empire Gas and Petrolane Gas Company of Enterprise the first of November, December, January, February, and March. The average price charged by these two companies will be the price per gallon used to determine the amount of fuel bonus paid.

g) By Friday of the week after chickens are picked up, Grower will be paid compensation due under this Contract. Grower will also be informed in writing of his/her weekly average and his/her standing with other Growers.

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V. DEFAULT

1. *In the event this Agreement is breached by either party the failure, neglect, or refusal to perform or fulfill any obligation on their respective parts herein imposed, and such default continues for a period for three (3) days after written notice given to the party so in default by the other, then this Agreement shall immediately thereupon terminate, and on the part of ConAgra, if the Grower is so in default, ConAgra, its assigns or agents, or either, to take possession forthwith of said broiler chicks, unused feed and supplies previously furnished to the Grower under this Agreement and this wheresoever the same may be situated at the same time removing all of such from the premises of the Grower. On the part of the Grower, if ConAgra is so in default by such notice aforesaid, ConAgra will be directed to take possession of such broiler chicks, unused feed and remove the same forthwith following failure to cure and correct such default within such three (3) day period of time, and in either event, ConAgra will thereupon pay the Grower, prorated, for the period of time during which such broiler chicks were in possession of the Grower based on a payment schedule therefore of nineteen one-hundredths (.19) cents per pound per week on the average weight of birds sold by ConAgra during the week that ConAgra takes possession of the flock here in question.*

2) *In the event the Grower should abandon the flock for a period of seventy-two (72) hours or more, and should fail to feed, water, and care for said flock for said period of time, ConAgra shall be authorized to enter upon the premises of Grower, to feed, water, and care for the said flock until this Contract is terminated as herein provided.*

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3) *Neither party to this Contract shall be liable in any respect for the failure or delay in the fulfillment or performance of this Contract, if such failure or delay in performance is the direct or indirect proximate result of a national emergency, inadequate supplies, fuel, or chicks, loss of fuel or power supply (through no fault of either party hereto) fire, flood, windstorm, or act of God, strikes, lockouts, or other labor disturbances, not directly involving the parties to this Contract, one against the other, or any other cause of like kind beyond the reasonable control of either party.*

VI. TERM OF CONTRACT

1) *This Contract shall commence on the date it is executed by the parties thereto and shall continue in full force and effect until terminated by either party as provided herein or until a new Contract may be entered into by and between the parties.*

2) *Either party to this Contract may terminate this Contract at any time, for any reason or for no reason at all by giving the other party ten (10) days written notice of that party's intent to terminate.*

VII. COMPLETE AGREEMENT AND EXCLUSION OF REPRESENTATION AND WARRANTIES

1) *Neither this Contract, nor any part thereof, may be assigned by Grower, and the death of Grower, if an individual, may be regarded by ConAgra as an immediate termination of this Agreement.*

2) *This Contract contains the full, complete, and entire understanding and agreement of the parties hereto. All negotiations,*

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agreements, representations, warranties, promises, and understandings between the parties have been incorporated into this Agreement. Neither party to this Agreement may rely on or assert against the other party hereto any oral or written representation made by either party prior to the execution of and not contained in this Agreement.

The parties further acknowledge that each of them has read and understands the terms of this Contract. The parties further acknowledge that this Contract contains the full agreement between the parties who have signed the same. Each party hereto, by executing this Contract, releases, nullifies, and disclaims any consequence of any representations, agreements, promises, or stipulations made by either party to the other that are not contained in this Contract or that may be claimed to have induced the other party to sign this Contract.

GROWER

CONAGRA

3) The Parties agree that the terms of this Agreement shall not be altered, varied, or modified except in writing, executed by Grower and a management representative of ConAgra. The parties further agree that recommendations or changes in housing, equipment, or feeding recommendations made by ConAgra to the Grower shall be given to Grower in writing. Likewise, all requests, claims, disagreements, or

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misunderstandings of Grower shall be made in writing by Grower to ConAgra.

The parties agree that any discussion, change, claim, or directive, not in writing, shall be of no force and effect, and neither party hereto shall be liable for any consequence of such discussion, change, claim, or directive which is not in writing.

GROWER

CONAGRA

VIII. TERMINATION OF PRIOR AGREEMENTS

The parties agree that all previous Agreements between the parties, whenever executed, and regardless of duration are terminated, and this Contract replaces, supersedes, and governs the future conduct of the parties.

IX. BINDING EFFECT OF THIS CONTRACT

This Agreement is binding only between the parties who have executed the same, and no person, firm, or corporation who is not a party hereto may claim any rights or benefits because of said Contract.

This Agreement shall be binding on the parties who have signed the same, their heirs, personal representative, successors, and assigns.

WITNESS FOR GROWER

GROWER

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Date _____

Social Security Number _____

Address _____

Phone Number _____

WITNESS FOR CONAGRA

**CONAGRA POULTRY COMPANY,
A DIVISION OF CONAGRA, INC.**

BY: _____

ITS: _____

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STATE OF ALABAMA
_____ COUNTY

I, the undersigned, a Notary Public, in and for said State and County, hereby certify that _____, whose name is signed to the foregoing agreement, and who is known to me, acknowledged before me on this day that, being informed of the contents of this Agreement, he/she executed the same voluntarily on the day the same bears date.

Given under my hand this _____ day of _____, 199_____.

Notary Public

My Commission Expires

STATE OF ALABAMA
_____ COUNTY

I, the undersigned, a Notary Public, in and for said State and County, hereby certify that _____, who is _____ of ConAgra Poultry Company, a division of ConAgra, Inc., a Corporation, is signed to the foregoing Agreement, and who is known to me, acknowledged before me on this day that being informed of the contents of this Agreement he/she, as such officer and with full authority, executed the same voluntarily for and as the act of said Corporation.

Given under my hand this _____ day of _____, 199_____.

Notary Public

My Commission Expires

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EXHIBIT "A"

The following is a list of minimum equipment requirements to raise said broilers in growing facility. All equipment to be maintained and working properly at all times.

- 1) Two feed bins per house (operable and minimum of two thousand (2,000) pounds per one thousand (1,000) birds placed);*
- 2) Automatic pan-auger feeders sufficient for all birds in growing facility;*
- 3) A minimum of four (4) eight foot (8') automatic water troughs per one thousand (1,000) birds in the growing facility or as specified by reputable manufacturer for any approved dry cup water or nipple system by ConAgra;*
- 4) Minimum of one (1) jet-type, 36,000 BTU brooder for each seven hundred-fifty (750) birds with two-thirds (2/3) in brooding end if one-half (1/2) house brooding. Sidewall heaters to be approved by broiler manager.*
- 5) Minimum of one (1) feeder lid and one (1) chick fountain for each one hundred (100) chicks in growing facility, working properly and down for recommended time of poultry service technician, unless approved paper feeding by service technician.*
- 6) A fogger and fan system ("Auburn" fogger nozzle system or equivalent), sufficient according to manufacturer's recommendations to service the growing facility with maximum density.*
- 7) Insulation must be maintained in good condition and meet ConAgra requirements.*

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